

## ORDINANCE 7.01

### AN ORDINANCE LICENSING AND REGULATING THE CONDUCT OF GAMBLING

*The Council of the City of Rothsay, Minnesota, does ordain:*

**SECTION 1. PURPOSE.** The purpose of this Ordinance is to closely regulate and control the conduct of gambling.

**SECTION 2. PROVISIONS OF STATE LAW ADOPTED.** The provisions of Minnesota Statutes, Chapter 349, and Laws of Minnesota, 1978, Chapter 507, relating to the definition of terms, licensing, and restrictions of gambling are adopted and made a part of this Ordinance as if set out in full.

**SECTION 3. LICENSE REQUIREMENT.** No person shall directly or indirectly operate a gambling device or conduct a raffle without a license to do so as provided by this Ordinance.

**SECTION 4. PERSONS ELIGIBLE FOR A LICENSE.** A license shall be issued only to fraternal, religious, and veteran's organizations, or any corporation, trust, or association organized for exclusively scientific, literary, charitable, educational, or artistic purposes, or any club which is organized and operated exclusively for pleasure or recreation. Such organization must have been in existence for at least three (3) years and shall have at least thirty (30) active members.

**SECTION 5. LICENSE FEES.**

**Subdivision 1. Fees.** The monthly fee for a paddle-wheel shall be ten (\$10.00) dollars; the monthly fee for tip-jars and pull-tabs shall be ten (\$10.00) dollars; and the monthly fee for a raffle shall be ten (\$10.00) dollars.

**Subdivision 2. Application Procedure.** Application for a license shall be made upon a form prescribed by the City Council. No person shall make a false representation in an application. The Council shall act upon said application within one hundred eighty (180) days from the date of application.

**SECTION 6. PROFITS.** Profits from the operation of gambling devices or the conduct of raffles shall be used for proper purposes only.

**SECTION 7. CONDUCT OF GAMBLING.**

**Subdivision 1. Gambling Manager.** All operating of gambling devices and the conduct of raffles shall be under the supervision of a single gambling manager to be designated by the organization. The gambling manager shall be responsible for gross receipts and profits from gambling devices and raffles and for their operation. The gambling manager shall be responsible for using profits for a proper purpose.

**Subdivision 2. Bond.** The gambling manager shall provide a fidelity bond in the sum of ten thousand (\$10,000.00) dollars in favor of the organization conditioned on the faithful performance of his/her duties.



**GAMBLING continued....**

**Subdivision 3. Qualifications of Gambling Manager.** The gambling manager shall be an active member of the organization, and shall qualify under state law.

**SECTION 8. REPORTING REQUIREMENTS.**

**Subdivision 1. Gross Receipts.** Each organization licensed to operate gambling devices shall keep records of its gross receipts, expenses, and profits for each single gathering or occasion at which gambling devices are operated, or where a raffle is conducted. All deductions from gross receipts for each single gathering or occasion shall be documented with receipts or other records indicating the amount, a description of the purchased item or service or other reason for the deduction, and the recipient. The distribution of profits shall be itemized as to payee, purpose, amount, and date of payment.

**Subdivision 2. Separation of Funds.** Gross receipts from the operation of gambling devices and the conduct of raffles shall be segregated from other revenues of the organization, and placed in a separate account. The person who accounts for gross receipts, expenses, and profits from the operation of gambling devices or the conduct of raffles shall not be the same person who accounts for other revenues of the organization.

**Subdivision 3. Monthly Reports.** Each organization licensed to operate gambling devices or to conduct raffles shall report monthly to its membership, and to the City Clerk/Treasurer its gross receipts, expenses, and profits from gambling devices or raffles, and the distribution of profits. The licensee shall preserve such records for three (3) years.

**SECTION 9. ELIGIBLE PREMISES.** Gambling devices shall be operated and raffles conducted by a licensed organization only upon premises which it owns or leases, except that tickets for raffles may be sold off the premises. Leases shall be in writing and shall be for a term of at least three (3) months. No lease shall provide that rental payments be based on a percentage of receipts. A copy of the lease shall be filed with the City Clerk/Treasurer.

**SECTION 10. PRIZES.** Total prizes from the operation of paddle-wheels and tip-boards awarded in any single day in which they are operated shall not exceed one thousand (\$1,000.00) dollars. Total prizes resulting from any single spin of a paddle-wheel or from any single tip-board shall not exceed one hundred (\$100.00) dollars. Total prizes from the operation of a raffle shall not exceed fifteen thousand (\$15,000.00) dollars. Total prizes awarded in any calendar year by any organization shall not exceed fifteen thousand (\$15,000.00) dollars.

**SECTION 11. BINGO.** Nothing in this Ordinance shall be construed to authorize the conduct of bingo without acquiring a separate bingo license.

**SECTION 12. PENALTIES.**

**Subdivision 1. Criminal Penalty.** Violation of any provision of this Ordinance shall be a misdemeanor. A person convicted of violating any provision of this Ordinance shall be subject to a fine of not more than five hundred (\$500.00) dollars or imprisonment for a term not to exceed ninety (90) days or both, plus in either case, the costs of prosecution.



GAMBLING continued....

**Subdivision 2. Suspension and Revocation.** Any license may be suspended or revoked for any violation of this Ordinance. A license shall not be suspended or revoked until the procedural requirements of Subdivision 3 have been complied with, provided that in cases where probable cause exists as to an Ordinance violation, the City may temporarily suspend upon service of notice of the hearing provided for in Subdivision 3. Such temporary suspension shall not extend for more than two (2) weeks.

**Subdivision 3. Procedure.** A license shall not be revoked under Subdivision 2 until notice and an opportunity for a hearing have first been given to the licensee. The notice shall be personally served and shall state the Ordinance provision reasonably believed to be violated. The notice shall also state that the licensee may demand a hearing on the matter, in which case, the license will not be suspended until after the hearing is held. If the licensee requests a hearing, one shall be held on the matter by the Ordinance Committee at least one (1) week after the date on which the request is made. If, as a result of the hearing, the Ordinance Committee finds that an Ordinance violation exists, then the Council may suspend or terminate the license.

**SECTION 13. EFFECTIVE DATE.** This Ordinance becomes effective upon its passage and publication according to law.

Passed by the Council this 2nd day of February, 1985.

SIGNED: Robert D. Stengrim, Mayor  
Ethelwyn McBain, Clerk/Treasurer



# ORDINANCE 7.01A

## CHARITABLE GAMING ORDINANCE

**SECTION 1. DEFINITIONS.** Generally: The terms contained in this Ordinance shall have the meaning ascribed to them by Minnesota Statutes, Section 349.11 et seq., and any successor statutes dealing with the regulation of lawful charitable gambling.

**NET PROFITS.** "Net profits" are defined as those profits, less allowable expenses, under the laws and regulations of the State of Minnesota, relating to lawful gambling.

**SECTION 2. ROTHSAY CHARITABLE GAMBLING FUND.** There is hereby created a Rothsay Charitable Gambling Fund which shall be held for safekeeping by the City in an account separate from any City funds. Such funds shall be deposited in a bank account designated "Rothsay Charitable Gambling Fund". No expenditures shall be made from such Fund except upon resolution by the City Council; and then only for "lawful purposes" as defined by Minnesota Statutes, Section 349.12, Subdivision 25.

**CONTRIBUTIONS TO FUND.** Each Organization within the City of Rothsay which is licensed by the State to conduct lawful gambling, shall contribute ten percent (10%) of its net profits as defined by Minnesota Statutes, Section 349.213, to the Rothsay Charitable Gambling Fund.


**SECTION 3. DONATION REQUIRED.** Any Organization licensed to conduct lawful gambling within the City of Rothsay shall donate ten percent (10%) of its net profits from the conduct of lawful gambling to the special Rothsay Charitable Gambling Fund. Such donations shall be made within fifteen (15) days at the end of each calendar quarter. For purposes of this Ordinance, a calendar quarter shall be deemed to end at eleven fifty-nine o'clock (11:59) P.M. on the last day of March, June, September, and December.

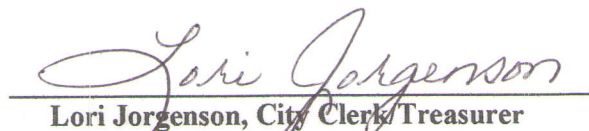
**SECTION 4. REPORTS.** All Organizations conducting lawful gambling within the City of Rothsay shall provide the City Council with copies of all reports it provides to the State Charitable Gambling Control Board.

**SECTION 5. SUSPENSION, REVOCATION, NON-RENEWAL OF LICENSES.** If any Organization shall fail to make the payments required by this Ordinance, or fail to provide the City Council with reports as required by this Ordinance, such failure shall be grounds for the City to recommend to the State Charitable Gambling Control Board that the gambling license for such Organization be suspended, revoked or not renewed.

**SECTION 6. EFFECTIVE DATE.** This Ordinance becomes effective upon its passage and publication according to law; and shall supercede any previous Ordinances relating to Charitable Gambling.

**PASSED UNANIMOUSLY BY CITY COUNCIL VOTE: FEBRUARY 3, 2004**

  
Paul Fosse, Mayor

  
Lori Jorgenson, City Clerk/Treasurer